

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 EUR-12 ISO-00 AGRE-00 L-03 AID-05
CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06
TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01
NSC-05 SS-15 STR-04 CEA-01 H-01 PA-01 PRS-01
/096 W

-----093906 120012Z /15

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FM AMEMBASSY ADDIS ABABA

TO SECSTATE WASHDC 5189

INFO AMEMBASSY BERLIN

AMEMBASSY BUDAPEST

LIMITED OFFICIAL USE ADDIS ABABA 4853

E.O. 11652: N/A

TAGS: ETRD EAGR HU GE CZ ET

SUBJECT: FURTHER ETHIOPIAN COFFEE SALES TO EASTERN EUROPEAN
COUNTRIES

REF: ADDIS ABABA 4363 (NOTAL)

1. ACCORDING TO ATO HAILU TEFERRA, GENERAL MANAGER
ETHIOPIAN COFFEE BOARD, ETHIOPIA HAS AGREED IN
PRINCIPLE TO SELL ANOTHER 5,000 TONS OF COFFEE TO
EAST GERMANY AND 3,000 TONS (FIRST SALE) TO HUNGARY.
THERE MAY ALSO BE SALES TO CZECHOSLOVAKIA BUT THIS
HAS NOT YET BEEN DECIDED. THE SALE PRICE FOR BOTH
TRANSACTIONS HAS NOT BEEN NEGOTIATED BUT ATO HAILU
EXPECTS NEGOTIATIONS TO BE COMPLETED AND SHIPMENT
TO OCCUR SOMETIME AROUND MID-SEPTEMBER.

2. ATO HAILU EXPECTS A CHANGE IN THE COFFEE SURTAX
SYSTEM TO BE ANNOUNCED WITHIN THE NEXT FEW DAYS. HE
DID NOT DIVULGE THE CHANGES TO BE MADE BUT EXPRESSED
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OPTIMISM THAT IT WILL BE EASIER TO SELL ETHIOPIAN
COFFEE AS A RESULT OF THIS CHANGE, AS THE PRICES TO
COFFEE PRODUCERS WILL BE INCREASED WHILE REVENUE
RETURNS TO THE EPMG WILL DECREASE. COFFEE PRODUCERS
ARE STILL HOLDING 20,000 TO 25,000 TONS OF COFFEE,
HOPING FOR A HIGHER PRICE THAN CURRENTLY PREVAILS AT
THE ADDIS COFFEE AUCTION.

3. FROM PRELIMINARY REPORTS, THE CURRENT CROP OF COFFEE (1977/1978) APPEARS TO BE AT LEAST AS GOOD AS THE PREVIOUS YEAR AND PERHAPS EVEN BETTER. CONSEQUENTLY, THERE SHOULD BE AN EXPORTABLE SURPLUS OF 80 TO 85,000 TONS FOR THE NEXT COFFEE YEAR (OCT 1977 TO SEPT 1978). BECAUSE OF UNUSUALLY FAVORABLE WEATHER, COFFEE BERRY DISEASE HAS NOT DONE AS MUCH DAMAGE TO COFFEE BEANS ON THE TREES THIS YEAR AS IN PREVIOUS YEARS.

4. COMMENT: THE EMBASSY'S PREVIOUS INFORMATION (PARA 6, REFTEL) THAT TOTAL GLOBAL COFFEE PURCHASES BY EASTERN EUROPEAN COUNTRIES WAS 18 TO 20,000 TONS PER YEAR IS ERRONEOUS. INSTEAD, ACCORDING TO ATO HAILU, PURCHASES RUN BETWEEN 170,000 TO 180,000 TONS FOR THE EASTERN BLOC INCLUDING YUGOSLAVIA. THERE IS, THEREFORE, CONSIDERABLE ROOM FOR INCREASED COFFEE EXPORTS TO EASTERN EUROPE FROM ETHIOPIA. TIENKEN

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 11-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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